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Urban Local Government

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URBAN LOCAL GOVERNMENT

"Whoever attempts to forecast the course systems of government will take, must . . . begin from the two propositions that the only thing we know about the Future is that it will differ from the Past, and that the only data we have for conjecturing what the Future may possibly bring with it are drawn from observations of the Past, or, in other words, from that study of the tendencies of human nature which gives ground for expecting from men certain kinds of action in certain states of fact."

—JAMES BRYCE, *Modern Democracies*

Urban local government in India may be likened to an old but incomplete building which has nevertheless had no dearth of residents. Occasionally, repairs and renovations have been carried out without any overall plan for the simple reason that the building plan is said to be missing. Stripped of metaphor, the condition of urban local government in India can be described as one of stunted growth. Over the years, the number of institutions has gone up as new urban localities have appeared on the map. But numerical growth has not been paralleled by any consistent and coherent efforts to reorganize and vitalize urban local government as an integral part of the governmental system of the country. This is all the more strange since urban local government in India belongs to a much older vintage compared to the State governments that presently supervise and control it.

During the long period of constitutional development, popular participation in local government was the harbinger of similar participation in government at higher levels. The municipal institutions that were growing up by fits and starts in different parts of India during the British regime provided the training ground for citizenship and administrative management, and at the same time these institutions

served in no small measure as the democratic springvolts for an onslaught on imperialism. Undoubtedly, the British concern for the steady growth of local self-governing institutions testified to a brighter and more positive side of foreign rule in India. A policy on local self-government used to constitute an integral part of a general policy on Indian constitutional development. As it emanated from a single source, the entire country had the benefit of having a, more or less, uniform system of urban local government. To the British reformers local government was the sphere in which steps could be taken 'first and furthest in the direction of the progressive realization of responsible government in India'. But as time wore on, Indian political opinion was veering steadfastly to the fundamental problem of national emancipation, and the rising crescendo of freedom struggle had completely drowned the gentle murmur of local government institutions. History was being made, and its relentless course had little regard for these institutions. With Independence, the old order changed. Close on the heels of Independence came constitutional democracy. With this, the delicate local self-governing institutions paled into insignificance. The next two decades witnessed a monotonous continuity of urban local government, overshadowed by the dominating posture of higher level governments. History has been made, but the meaning and purpose of local self-government seem to have been lost in the process of history-making.

ON THE TRAIL OF PHILOSOPHY AND MODEL

The prospect of urban local government in India cannot be projected save in the context of history. For, the contemporary types of municipal institutions in our urban areas are all historical relics like many of the equestrian statues of Englishmen that used to adorn the larger cities. Statues cannot strike roots, but institutions do. So the municipal institutions survived the travails of history. Of the five types of urban local government in India, *viz.*, municipal corporation, municipality, notified area committee, town area committee and cantonment board, it is the municipal corporations and municipalities which can be termed as fully representative urban local bodies. Their importance in urban administration can be gauged from the fact that together they serve more than 93 per cent of the total population covered by all categories of urban local bodies.¹ The quality and quantity of local services, these two types render, have a significant bearing on the health, happiness and economy of our urban areas and

¹ *Augmentation of Financial Resources of Urban Local Bodies*, Report of the Committee of Ministers constituted by the Central Council of Local Self-Government, November, 1963, p. 14.

their vast 'influence areas'. As grass-root democracies, these municipal institutions form an integral component of our democratic system, and they are meant actively to reinforce the general tenor of the country's political liberalism. Thus, the way urban local government will shape in future will determine importantly the prospect of a range of urban local services as well as the trend of our future political outlook.

As the French introduced the communal system of local government in Pondicherry, so the British planted the conciliar system of local government in their Indian territory. The colonialists' familiarity with their own system impelled them to create local institutions after the known models. Whatever might have been the reasons prompting the early British rulers to import their system of local government, it was undoubtedly a bold adventure and almost a leap in the dark. Although the earliest attempts to set up municipal institutions were made in the three Presidency towns of Calcutta, Bombay and Madras, it was not before the middle of the nineteenth century that the elective principle was introduced in municipal government. In England, the principle of representation of urban rate payers was first embodied in the Municipal Corporation Act of 1835, and the first attempt to introduce the same principle in the non-Presidency towns in India was made through the Act of 1842, and it was no doubt an amazing feat of political adventurism. Although a series of enactments, passed between the years 1842 and 1862, sought to establish municipal institutions in the district towns, the spirit of the time stood against the growth of such institutions. To the large majority of Indians, it was an alien system and they were understandably sceptical about it. At the other end, the District Officer was the supreme ruler of the district in whose fief a competitive government in the shape of local institutions was in those days a wild idea.

Local *self-government* found eloquent expression for the first time in the Ripon Resolution of 1882. Clearly, it was the *British type* of local self-government that served as the model and the political philosophy underlying the Resolution was peculiarly British. But, it was too much to expect self-government to blossom in isolation at the local level when colonialism used to inform the general frame of government everywhere. There were several other reasons for the failure of local self-governing institutions to strike roots in the early stages of experimentation, but there were clear indications to prove that the nature of local self-government which was sought to be introduced and developed was unmistakably British. When Ripon thought of the application of local knowledge and interest to local administration, he was extending a liberal strain of British political philosophy to the

Indian soil. The recommendation for the elective principle in the organization of municipal government and the emphasis on the principle of control to be exercised over local bodies from without rather than from within betrayed distinct ideological inclinations of an English mind. Subsequently, whenever important constitutional commissions paused to deal with local self-government, assessment of growth was usually made with reference to its conformity to or deviation from the model of British local government. Even the conservative reforms of the Decentralization Commission underlined the necessity of evolving the committee system to look after the supervision of municipal services, and recommended almost a total elimination of official control and conferment of freedom on the municipal bodies to raise local taxes and to have complete control over their budgets. The conception of municipal freedom was influenced by the ideal of local government in England. When the evolution of the committee system and the appointment of chief executive were suggested for municipal reform, the obvious model before the reformer was the familiar committee system in English local government and the English Town Clerk.

The principles enunciated in the Montagu-Chelmsford Report of 1918 with regard to local self-government marked a resurrection of the lost philosophy of the Ripon Resolution. An insistence on the educative principle, the stress on extended franchise and complete popular control in local bodies, and the emphasis on the largest possible freedom from outside control for the local bodies, were an echo of 1882. There was a remarkable historical continuity in upholding the model of British local government. Later, the Simon Commission made a sweeping but insightful survey of the state of local government and harked back to the original Ripon Resolution in an admirable attempt to clarify the nature of local self-government in the country. The Commission distinguished between the unitary spirit of continental local government and the decentralized system of British local self-government, and made it abundantly clear that it was the latter type which was sought to be developed in India.²

Under this over-arching conception, urban local government in British India grew up and developed since the enunciation of the Ripon Resolution. Although after Independence attempts have been made to introduce changes in the system of rural local government, urban local institutions, have, by and large, been left undisturbed. In the urban sphere at least, the persistence of historical forms of local government testifies to the absence of any terminal thinking on the

² *Report of the Indian Statutory Commission*, Vol. I, Cmd. 3568, 1930, p. 301.

subject. At the conceptual level, it is the model of British local government that remains even today the ineluctable philosophical legacy of the past.

ILLUSION AND REALITY

As history was gradually unfolding itself in British India, the urban local government institutions began to take a concrete shape. The two principal types of municipal government, *viz.*, the municipal corporation and the municipality, which presently run the urban administration in our cities and towns, emerged with their individual distinctiveness by the end of the nineteenth century. Outside the three Presidency towns of Calcutta, Bombay and Madras, the municipality (named differently in different provinces) was the typical institution which came close to the conciliar system of British local government. There was a council whose composition changed gradually through the steady expansion of the elective element with every major constitutional reform. The committee system was of a rudimentary nature and failed to develop much under Indian conditions. With the exit of the District Officer from the municipal scene after the Montagu-Chelmsford Reform, the non-official chairman emerged as the head of both the council and the executive branch of the municipality. At this stage, the analogy with the British type breaks down. Whereas in Britain, local government administration was on corporate lines through the wide use of committees, in India the trend was toward making the council chairman also the head of municipal executive administration. Efficient personnel systems failed to take root and, in general, a key functionary of the English Town Clerk type could not be evolved. It should be remembered that the assumption of power by the non-official chairman and the elective element in municipal government took place as a sequel to the Montagu-Chelmsford Reforms. The popular representatives had come to occupy a position which was held traditionally by the District Officer. Hence, they were careful not to surrender their newly acquired powers and position to any other authority. It was natural for them, in those hours of jubilation, to hold fast to their possession. This partly explained the absence of any strong chief executive in municipal administration and the failure to evolve a well-developed executive administration. Not many powers and functions were devolved on the municipalities, and the position of their resources was such that they had no other alternative than to live in a state of perpetual financial crisis. The committee system of the British type could not come into being; nor was there any well-defined party system. The chairman had to depend on particular factions and do a good bit of tight-rope walking to maintain his position. Thus, municipal government outside the Presidency towns developed a structure which was marginally comparable to the British

type. It continued uninterrupted even after Independence and only recently some streamlining has been done with the ostensible purpose of rendering it more efficient.

Municipal government in the three Presidency towns needs to be discussed separately. In spite of their palpable imperfections, municipal institutions in the district towns had some semblance to the 'British type'. But, in two of the Presidency towns, viz., Bombay and Madras, grew up an exotic type of municipal government which had later become the model of big city government in India. It was introduced first in Bombay during the last part of the nineteenth century, and Madras adopted the model much later. The third Presidency town, viz., Calcutta, threw up another unique type, almost diametrically opposite to the Bombay model. It lived through the tempestuous pre-Independence days and died soon after Independence.

Even today, the basic structure of the Bombay Act of 1888 remains unaltered and all the municipal corporations in existence have their Acts modelled on it. Bombay's civic achievements have largely been attributed to this magic structure. A strange faith in the mysterious properties of the Bombay model has impelled its gradual adoption for the organization of municipal government in other big cities. Thus, even though there are variations today in the structure of ordinary municipalities in different States, there is uniformity in the governmental framework of all the municipal corporations in the country. Turning to the anatomical details of the Bombay model, one finds a close similarity between the basic framework of the Bombay Act of 1888 and that of Calcutta's 'Mackenzie' Act of 1899. As Calcutta suffered heavily from the ravages of a bubonic plague, an earthquake and a famine, the city was given a strong government with a powerful chief executive, a general committee and the council as its component parts. The Bombay Act had come into force earlier and seemed naturally to have influenced the 'Mackenzie' Act. Fragmentation of governmental powers through the creation of three coordinate authorities and the establishment of a fairly independent chief executive backed by statutory powers are the two important characteristic elements of both the Acts. The three coordinate authorities under the Bombay Act were the Corporation or the city council, the Standing Committee and the Municipal Commissioner. Subject to certain restrictions, the entire executive administration was concentrated in the Commissioner; the general body of the Corporation was conceived as the deliberative organ of city government. Thus, a statutory separation of powers was ensured. If separation was for the sake of administrative efficiency, then the Ripon Resolution was a cry in the wilderness. In fact, the philosophy of the Ripon Resolution had hardly any effect on the governments of the

Presidency towns. Under the 'Mackenzie' Act of 1899, the Calcutta Corporation consisted of 50 members out of which only 25 were elected by the rate-payers. Similarly, the Bombay Act of 1888 provided for a council of 72 members out of which 36 were elected by the rate-payers and University graduates. Popular representation was struggling to be born, but it was a far cry from local self-government. In those days of universal official dominance, the creation of an independent municipal executive as a coordinate statutory authority was not at all a surprising device. But, what baffles imagination is the persistence and the steady spread-effect of a municipal model which has miraculously escaped the rumblings of Indian constitutional development. The constitution of Calcutta Corporation was radically changed under the Calcutta Municipal Act, 1923 which marked an attempt to liberalize the city government in conformity with the spirit of the Montagu-Chelmsford Reforms. Following the model of British local government, the new Act made the Corporation or the elected council all powerful and the Chief Executive Officer was accountable to it for his actions. So far as Bombay was concerned, the principles of Reform seemed to have little impact on the city government. Only the total strength of the Corporation was increased and the elective element extended. In the subsequent years, due to absorbing national interest in the freedom movement, not much attention could be given to local government. In post-Independence India, Calcutta, which was the only Presidency town before Independence to liberalize its constitution, was the first to be shorn of its reformed mantle and shunted back to the Bombay model. Gradually, a number of big city municipalities were converted into municipal corporations after the basic framework of Bombay. With the democratization of the corporation councils, the concept of coordinate authorities came to be peculiarly interpreted. Under the changed political atmosphere, the principle of executive dominance was no longer tenable. It has since been replaced by the idea of checks and balances. The government-appointed Commissioner as one of the coordinate authorities has come to be regarded as an unwavering custodian of 'efficiency' and a salutary check on the representative council symbolising 'democracy'. It was a facile interpretation, a strange *volte face*. After Independence, revolutionary changes have taken place in the structure of government at higher levels, but in the municipal corporations time seems to have come to a stop.

TRENDS AND PROSPECTS

Municipal Structure and Personnel

As one surveys the contemporary Indian urban local government, one meets the municipal corporations first which are supposed to be

the most developed form of urban government with more powers and resources, better personnel and considerable autonomy. The municipalities come next in moderately big towns and sizable urban areas. Small and growing towns often have town area and notified area committees, and civic administration of military stations is vested in cantonment boards.

Only the municipal corporations and municipalities are full-fledged urban local bodies and these two types together serve almost all the urban population covered by different categories of urban local bodies. Since the days of municipal corporations in the three Presidency towns of Calcutta, Bombay and Madras, there have been separate Acts for municipal corporations and municipalities. The structural peculiarities of the corporation and the prominence which is given to it have stood in the way of the emergence of a uniform type of municipal government. In the municipal world of India, an invidious class distinction has thus developed between the corporation and the municipality.

Since the basic framework of the Municipal Corporation of Bombay has been the model for all other corporations, corporation government throughout India is structurally uniform. An Act governing a corporation invariably provides for three coordinate authorities, *viz.*, the corporation or the city council, the State-appointed commissioner and one or more standing committees. The number of statutory authorities has been increased in some instances to give autonomy, within the general framework of the corporation, to the administration of specific public utility services, such as water supply and sewerage, transport and electricity. The Corporations of Delhi, Bombay, Poona and a few others fall in this category.

By contrast, municipalities in India exhibit varieties in their governmental structures. The traditional framework has been of a conciliar type, the council consisting of popular representatives exercising powers in a corporate capacity. The chairman (also known as president) and his deputy would enjoy limited statutory powers, but the council could give them more powers by delegation. As the office of executive officer did not develop except in a few places, as in the Punjab, the chairman was the head of both the council and the executive administration of the municipality. Even now, this is the model of municipal government throughout eastern, northern and western India, although the office of the executive officer has been provided in most places to strengthen executive administration. In general, the executive officer functions under the general guidance and direction

of the municipal chairman. Municipal structure in the southern States is somewhat different. If the eastern, northern and western Indian municipalities have a measure of integrated organizational form, the southern municipalities present a picture of fragmented structure which is more akin to the corporation model. Municipal powers have been parcelled out among a number of statutory authorities, such as the council, a standing committee (except in Madras), the chairman and the executive officer who is named differently in different States. Alongside the council and the standing committee, the tendency is to carve out an area of independent operation for the executive officer. The insularity of the executive is further strengthened by his being recruited by the government under a unified municipal personnel system.

In spite of British influence, urban local government in India has, by and large, failed to develop the committee system in any elaborate fashion. This can be attributed to a variety of causes more important among which are the very limited number of functions delegated to municipalities and a general reluctance to part with power on the part of an executive chairman and his supporting group in the council. Again, in some States, statutory fragmentation of powers among a number of authorities has stood in the way of development of the committee system of the British type. Broadly speaking, the municipalities can be classified into two distinct types: one in which the constitution of committees is optional and another having statutorily specified committees. All the east Indian and Punjab municipalities fall in the the first category. Although there is a striking uniformity in the structures of south Indian municipalities, Madras differs a bit from others in making the constitution of committees optional under the municipal Act. The second category of municipalities having statutorily specified committees can be found all over southern India except Madras, and in western and central India. Although there are provisions for optional executive and consultative committees in the municipal Acts of Andhra Pradesh, Kerala, and Mysore, it is the standing committee consisting of a few councillors and endowed with important executive and financial powers, which is the solitary committee specifically mentioned in the Acts of the three States. The Executive Committee in the Gujarat Municipalities Act and the Standing Committee in the Madhya Pradesh Municipalities Act come close to this type of solitary committee which seems to be evolving as the most powerful central organ of municipal administration. The Maharashtra and Rajasthan Acts also provide for a similar kind of central committee; in addition, however, a number of functional committees have been specifically laid down in these two Acts. The emergence of a central standing committee to integrate the diverse threads of municipal administration and to act as a bridge

between the council and executive administration is a new phenomenon, which tends to usher in a sort of corporate political executive in municipal government. Wherever the appointed chief executive has simultaneously been clothed with statutory powers, such juxtaposition is expected to create conflict of powers, and it is not uncommon to hear reports of actual conflicts taking place in some instances.

Although the general framework of the corporation type of city government is uniform throughout India, the committee system in corporations differs from State to State. The provision for a solitary standing committee, as in some of the municipalities mentioned above, is to be found in the corporations of Andhra Pradesh, Bihar and Madhya Pradesh. Standing committees, as distinguished from functional committees, are common to almost all the corporations in other States where, in addition, a number of statutory functional committees also have been provided for. In fact, a distinguishing feature of the corporation Acts is the specific mention in them of the more important committees. Thus, the laws governing the corporations seek to impose a kind of rigidity in the matter of municipal organization.

Presently, the organization of municipal government in India seems to be at a crossroad. The laws framed in recent times have sought to prescribe certain patterns of organization which militate against the concept of conciliar government of the British type. No doubt, the introduction of an executive officer has been a salutary departure from the earlier practice of leaving executive administration to the president and councillors. There is, thus, a conscious attempt to evolve an integrative administration through the municipal executive officer. At the same time, however, a consistent trend has been to parcel out statutory powers among a number of authorities, such as the whole council, the executive officer, and the standing committee or committees. Structurally, the municipalities are resembling more and more the organizational model of corporation government. But the difficulties involved in the latter are now percolating down to other municipal bodies also. Although the model of corporation government in India has often been compared with the American city manager plan, the two forms have little in common. Actually, the concept of separation of powers inherent in the corporation form of city government makes it an exotic type of local government. It has been inimical to the growth of conciliar government and the committee system in the British sense. Born in the colonial era, its chief purpose was to circumscribe the powers of elected councillors by setting up a competitive authority in the form of the commissioner. Strangely enough, this model of government, instead of being rejected as an anachronism, has gained

in popularity after Independence. A facile idea of deliberative-executive separation has been flaunted with the purpose of bridling the powers of the elected council. Even when, in practice, the separation has been found to be neither practicable nor desirable, the myth has been sedulously nurtured. In representative local government, statutory separation of powers between the elected council and the appointed executive officer is unworkable and the history of conflict between the commissioner and the corporation in our major cities, such as Calcutta, Bombay, Delhi and others, bears testimony to it. At least in the corporation cities, the scheme of statutory fragmentation of powers is currently under fire. In some places, the mayors have been dissatisfied with their passive roles as ornamental figureheads and have demanded real powers of administration.³ As the major political parties have gravitated toward corporation government, in their bid to capture civic power they have resented the coordinate authority of the commissioner and desired his subordination to the corporation. It has even been argued that, as at the State level, a cabinet form of government might be introduced at the corporation level also. Actually, the Metropolitan Council of Delhi prepared a bill⁴ in 1966 proposing a Mayor-in-Council form of government for the Delhi Municipal Corporation. Although the reform could not be pushed through due to the General Election intervening in 1967, the proposal has gained in popularity and many of the municipal corporations have lent support to the idea of a cabinet type of city government.⁵ Judging from these developments, it can safely be predicted that in the not-too-distant future the structure of corporation government in the major cities will undergo a change and there is every possibility of the replacement of the present triumvirate by a system of government which will have close resemblance with cabinet government at the State level. In any event, the coordinate status of the municipal commissioner in the corporation cities is not expected to last long.

No doubt, the structural changes in corporation government will in the long run have an impact on the constitution of municipal government in other non-corporation towns. Before predicting the course which the latter will probably take, it is worthwhile following the dominant current trends in non-corporation municipal government in the country. Ironically enough, at a time when the fragmented form of corporation government is being seriously challenged, municipal

³ *The Hindustan Times* (Delhi Edition), September 20, 1968.

⁴ Bill No. 59 of 1966, *The Gazette of India, Extraordinary Part-II, Section 2*, New Delhi, August 29, 1966.

⁵ *Report of the Rural-Urban Relationship Committee*, Vol. III, Government of India, 1966.

government in the non-corporation towns is being modelled almost on the corporation type. Apart from statutory fragmentation of powers, as in the case of southern municipalities, the current trend towards provincialization of municipal services⁶ will have the effect of divesting the municipal councils of their ultimate controlling powers over municipal personnel and driving a wedge between the council and the municipal officers borne on the provincialized cadres. The separate personnel system which was almost universal throughout India is gradually giving way to unified and/or integrated cadres of municipal services controlled by the State governments. The demand of municipal staff for better pay scales and security and service benefits, general inability of the municipalities to evolve progressive personnel policies and attract qualified staff, and the eagerness of State governments to extend the radius of State control are primarily responsible for hastening the trend towards the provincialization of municipal services. This is going to gather momentum in the years to come and unified and/or integrated cadres at least for key municipal personnel will, in all probability, be universally accepted. Through control over key officers, the State governments will internalize their control over the municipal bodies. So far as the non-corporation municipalities are concerned, State control over them, instead of diminishing under a liberal democracy is expected to increase in future.

Area and Boundary

In the past, municipal institutions were established indiscriminately without any consideration for their financial viability. It was found out by the Committee of Ministers constituted by the Central Council of Local Self-Government⁷ that more than half of the total number of municipalities existing at that time belonged to classes IV-VI towns, as defined by the Census. Besides, there were about three hundred town area committees and notified area committees which were invariably in small towns. Recently, another Committee⁸ made a rough estimate that a town with a minimum population of 20,000 can provide for at least the basic urban services and amenities like water supply, drainage, roads, education, etc. If this population criterion is accepted, a large number of existing municipalities will have to be integrated with the panchayati raj structure.

⁶ *Report of the Committee on the Service Conditions of Municipal Employees*. Ministry of Health, Family Planning and Urban Development, Government of India. 1968.

⁷ *Augmentation of Financial Resources of Urban Local Bodies*, op. cit., p. 13.

⁸ *Report of the Rural-Urban Relationship Committee*, Vol. I, op. cit., p. 26.

In India, municipal government was established as a separate form of local government for the urban areas. But, most of the existing municipalities govern areas which, under strict eligibility tests, cannot be called urban; these are predominantly rural.⁹ There is, thus, good ground for transforming them into panchayati raj bodies. Already, some States, such as Mysore and Gujarat, have taken steps in that direction. In future, the idea of financial viability of municipal bodies is expected to influence the States more and more, as they would be thinking of creating new municipalities. It may be that, wherever feasible, municipal consolidation will be attempted to carve out larger areas with more resources. In the bigger urban complexes, the current practice is gradually to extend the municipal boundary to incorporate contiguous areas. The city administration is usually decentralized by opening up a number of local area offices for the convenience of citizens. Piecemeal annexation and unitary city administration have stood in the way of the evolution of a two-tier, federated metropolitan area administration of the Greater London type. Since a virile municipal government is often considered as a threat to State supremacy, the problem of reorganization of local government in the bigger urban complexes goes by default, and governmental solutions are frequently sought to be made through the creation of competitive special-purpose authorities. Already, the Greater Bombay urban complex and the Calcutta Metropolitan Area are showing signs of run-away urbanization, and municipal government in these areas needs to be reorganized and modernized to enable it to become a fit agency of local public administration. In future, there is a great possibility of the two-tier metropolitan government emerging in these two largest urban complexes of India. Despite talks about rural-urban integration and a composite local government for both urban and rural areas, there is little possibility in the near future of the merger of the two separate forms of local government—municipal government and panchayati raj. The country being predominantly rural and because of understandable concern of politicians for rural uplift, the rural areas will continue to be treated differently from the urban areas, and in this process the panchayati raj institutions will go on leading a separate existence away from their counterparts in urban areas.

Municipal Finance

State control over municipal authorities is a legacy of paternalistic administration and it has, even today, hardly any promotional content. This is exemplified by the fact that State grant to municipalities

⁹ Ashish Bose, "Urban Characteristics of Towns in India—A Statistical Study", *The Indian Journal of Public Administration*, Vol. XIV, No. 3 (July-September), 1968.

which is used as a developmental aid in countries like England, has remained in India as low as less than 15 per cent of municipal revenue. After Independence, local self-government naturally expected a patronage within the framework of national democracy. But, as Table I reveals, municipal finances present a dismal picture of

TABLE I

Revenue Structure of Urban Local Bodies, 1950-51 to 1960-61

Sl. No.	Sources of Revenue	1950-51	1960-61
1.	Tax revenue	63.50	66.00
2.	Non-tax revenue excluding grants	24.40	20.50
3.	Grants-in-aid	12.10	13.50
TOTAL :		100.00	100.00

SOURCE : *Augmentation of Financial Resources of Urban Local Bodies, op. cit.*, p. 156.

continued stagnation. This is particularly alarming in view of the fact that the national five year plans have been launched to achieve accelerated economic development. It seems that the plans have had little impact on the finances of municipal bodies.¹⁰ Recent studies have shown that the municipal authorities find it increasingly difficult to plug the gap between resources and expenditure and in consequence, the standards of municipal services have been consistently going down.¹¹ A very rough estimate of 'average range of satisfactory per capita expenditure', as calculated by the Rural-Urban Relationship Committee, places the desirable figure between Rs. 30 and Rs. 35. But the Committee found out that only about half a dozen of the 100 urban local bodies studied by it would satisfy even this rather conservative norm. Low per capita income leads in turn to low per capita expenditure. A recent sample survey made by the Rural-Urban Relationship Committee reveals that although the municipal corporations are slightly better off, nearly 70 per cent of the municipalities have an annual per capita income of less than Rs. 20 and about 13 per cent have reported a per capita income of less than Rs. 5. The mainstay of municipal revenue is property tax and/or octroi, and the basic revenue structure of municipal authorities has changed very little since the days of Lord Ripon. In the absence of constitutional delimitation of local

¹⁰ This is also the finding of a case study of municipal finances in the Calcutta Metropolitan District. See Abhijit Datta and David C. Ranney, *Municipal Finances in the Calcutta Metropolitan District*, Bombay, Asia Publishing House, 1965.

¹¹ *Reserve Bank of India Bulletin*, November, 1962; and *Report of the Rural-Urban Relationship Committee*, Vol. III, *op. cit.*, pp. 99-115.

taxfield, the State governments often encroach upon municipal tax sources. Illustrative of such encroachments is the levy of urban tax or urban land tax by the State Governments of Assam, Bihar, Gujarat, Madhya Pradesh, Madras, Maharashtra, and Punjab. Similarly, a special urban property tax is being utilized by the State Governments of Uttar Pradesh and Haryana. Limited tax-sharing is practised with regard to the proceeds of entertainment tax and motor vehicles tax. But the sharing is not on contractual basis; it is decided *ex parte* by the State governments. Thus, the motor vehicles tax which was a lucrative source of local revenue was provincialized in the 'thirties'. Although several committees have pleaded for a fair share of this tax for the municipal bodies, the latter have to rest content with whatever the States can manage to dole out arbitrarily.

The only silver-lining to this otherwise dark cloud seems to be the slow evolution of systematic grants-in-aid in recent times. Grants have traditionally been discretionary in nature depending on the exigencies of States' financial condition. The Madhya Pradesh Government was the first to introduce in 1962 a fairly comprehensive general purpose grants system on per capita basis for the municipalities. In 1965, the Gujarat Government devised a grants formula much like the Madhya Pradesh pattern, and the Kerala Government followed suit the next year. Rajasthan has since introduced a simple per capita grant to the municipalities, and in Delhi an attempt has been made to link the grant system with municipal tax efforts. As mentioned earlier, State grants-in-aid to the municipal bodies in India have been very meagre so far. It is expected that, in the coming decade, the remaining States would evolve some kind of grants formula which would bring some method into their income transfers to the municipal authorities. The volume of grants will, however, be dependent on the rate of growth of the States' revenue,¹² and judging from current economic trends the volume cannot be expected to be large.

Wherever property tax is the mainstay of municipal revenue, the procedure for assessment and valuation of property for the purpose of imposition of the tax has frequently been criticized on the ground that there is consistent under-assessment owing to the interference of elected civic leaders. Since the days of the Local Finance Enquiry Committee (1951), all the committees and commissions that touched upon the theme of local finance recommended the setting up of a central valuation agency under the aegis of the State government to undertake the task of assessment and valuation of property. In the newly enacted

¹² K., Venkataraman, *States' Finance in India*, London, George Allen & Unwin, 1968.

Maharashtra Municipalities Act, 1965, a provision has been made for a Government machinery for the assessment of properties,¹³ and currently the Maharashtra Government is actively considering the establishment of such a machinery. If our prediction about the evolution of State grants-in-aid to municipal authorities comes true, the State governments will have to think seriously of systematizing the assessment procedure to eliminate possibilities of underassessment and consequent leakage of municipal revenue. Regarding octroi, in spite of repeated criticisms against it, its abolition can be ruled out for quite some time to come. Being an indirect tax, it has always been liked by the elected councillors. As a source of revenue, it has been very effective and the concerned State governments find it extremely difficult to substitute octroi by any other lucrative local tax. Nor is it easy for the States to reimburse large amounts to the municipal bodies in the event of abolition of this tax.

With the exception of some increase in State grants-in-aid, the basic structure of municipal revenue is not likely to change much in the coming decade, and there is little prospect of diversification of municipal revenue sources. Provincialization of municipal services will of course have the effect of toning up executive administration, and this in turn will, in all probability, lead to augmentation of municipal revenue through improvement in the collection of municipal dues.

Since the inauguration of the national Five Year Plans, some Plan funds have filtered down to the municipal bodies *via* the State governments. For instance, under the National Water Supply and Sanitation Scheme cent per cent loan assistance is given for municipal water supply projects; for sewerage projects 75 per cent loan assistance is provided and the remaining 25 per cent subsidy is contributed equally by the Centre and the State governments. Other important Plan schemes under which the municipal bodies have obtained funds are the Slum Clearance and Improvement Scheme, and the Subsidised Housing Scheme¹⁴. Drawn up in a hurry, these schemes were intended to develop specific urban functions without considering their effect on cognate facilities for which no development schemes were prepared. The Third Five Year Plan took notice of this fact and sought to promote integrated city development plans¹⁵. For the first time, an attempt was

¹³ Maharashtra Municipalities Act, 1965, Section 113.

¹⁴ For a full list of Plan schemes of urban development see Abhijit Datta and Mohit Bhattacharya, "A Functional Approach to Indian Federalism—Case Study of Urban Development", *The Indian Journal of Public Administration*, Vol. XIII, No. 2 (April-June), 1967.

¹⁵ *Five Year Municipal Development Plans*, The Indian Institute of Public Administration. New Delhi, 1969.

thus made organically to link the city development plans with the national plan exercise *via* the States' Five Year Plans. Although very little has been achieved so far by way of implementation of this idea of city development plan, it may be predicted that the coming decade will witness a slow but steady integration of municipal capital development programmes with the State Five Year Plans and ultimately with the national Plans. Perhaps, the strategic urban complexes, often loosely called metropolitan areas, where the urban situation demands expeditious remedial measures, will receive attention on priority basis and Plan funds will soon be earmarked for their integrated development.

Municipal Functions

Usually, the municipal Acts in India contain long lists of municipal functions, but in practice the large majority of municipal bodies have very few positive service functions, such as public health—including water supply and sanitation, medical relief, vaccination and inoculation, and registration of births and deaths; primary education; public safety and convenience; and roads and public works. Aside from these, they have some regulatory functions, more important among which are building regulations, abatement of nuisances, inspection of markets and slaughter houses, and prevention of food adulteration. In general, the municipal corporations have more functions than the ordinary municipalities. There may be stray instances of milk supply schemes or zoological gardens run by municipal authorities in some States, but, generally speaking, municipal functions have expanded very little over the years; not only that, the trend has been towards divesting the municipal bodies of their traditional functions and responsibilities. Municipal inability to provide for even the basic civic amenities and lack of proper thinking at the State level about municipal development have led to the creation of a general climate of loss of faith in municipal institutions. The debilitating condition of the latter has become an excuse for the establishment and perpetuation of competitive urban local institutions like Improvement Trusts, Housing Boards, and Water Supply and Sewerage Boards, and even for taking over of local functions by the State governments. In many instances, the States' functional departments have sought to restrict municipal functions in order that the departmental organization and workload are not affected by municipal expansion. It may not be an exaggeration to say that the State-level technical departments have consistently been thriving at the expense of municipal authorities, and they pose a positive threat to the future growth and development of municipal self-government in this country.

Of the competitive urban local institutions, the Improvement Trusts date back to an era in history when the civil lines were built away from the congested 'native' localities. The municipal bodies were not considered fit to undertake this function, as these were invariably 'politics' ridden. Thus grew up a development agency, consisting mainly of government nominees, within the areas of fast-growing municipalities. Presently, the Improvement Trust is being used in many States for the purposes of land development, urban housing, and slum clearance and improvement. The old colonial psychology still persists that municipal bodies which are full of politics and factional squabbles cannot be entrusted with development functions. With the inclusion of housing schemes in the five year plans, a special agency, viz., the Housing Board, has been set up in a number of States obviously on the assumption that this function could not be entrusted to the municipal bodies. Allocation of Central Plan funds for urban water supply and drainage and sewerage dates back to the later part of the First Five Year Plan. Since then, the public health engineers have been fervently pleading the case for a special agency for water supply and sanitation on the ground that the municipal authorities, which are presently responsible for providing these services, are inefficient, politics-ridden, area-bound, and generally unable to manage the services on sound commercial lines and tap adequate financial resources.¹⁶ The advocacy of the experts does not seem to have fallen on deaf ears. Following the enactment of the Bangalore Water Supply and Sewerage Act, 1964, the Bangalore Water Supply and Sewerage Board was brought into being to undertake water supply and sanitary functions in and around the city of Bangalore. The next similar special agency to be established was the Calcutta Metropolitan Water and Sanitation Authority under the Calcutta Metropolitan Water and Sanitation Authority Act, 1966. These special agencies have already been created and some more are being proposed to be set up, as in the case of Greater Bombay and its environs, to take over municipal responsibilities in the field of water supply and sanitation. In Uttar Pradesh, a State level Water Board has been planned, on the lines of the State Electricity Board, to supervise, control and operate water supply and allied functions in both urban and rural areas. Madras is also reported to have been thinking on the same lines. These are indications of a shrinking world of municipal government. Currently, the emergence of the concept of regional planning has further exposed the limitations of narrow municipal physical planning. Thus, special authorities

¹⁶ *Proceedings and Recommendations of the Seminar on Financing and Management of Water and Sewage Works*, convened by the Ministry of Health, Government of India, with the assistance of the World Health Organization, Vigyan Bhawan, New Delhi, April 24-30, 1964.

are being created or proposed to undertake the task of planning for regional and urban areas, in preference to the municipal authorities. The establishment of the Calcutta Metropolitan Planning Organization, the Asansol Planning Organization and the Siliguri Planning Organization in West Bengal and the three Metropolitan Regional Planning Boards for Bombay Region, Poona Region and Nagpur Region in Maharashtra, reveals the trend of planning thought and technique away from familiar urban local government institutions.

The threat of still further erosion of municipal functions is coming from the direction of the functional departments of State governments. The proposed State level Water Board in Uttar Pradesh is a typical example of the emerging situation. It is the misguided enthusiasm of the State Local Self-Government Engineering Department that has been instrumental in formulating a plan for the take-over of municipal water supply and allied functions by the proposed Water Board. In West Bengal, the medical and health services of municipalities have long been provincialized and recently the State Public Health Engineering Department has made a proposal to divest the municipal bodies of their responsibilities with regard to water supply. Primary education is looked after by the State Governments in quite a few States, such as Rajasthan, Kerala, Jammu and Kashmir, and Punjab, and a State take-over is actively being considered in West Bengal. Anxiety of State Departments to ensure efficient administration of primary education is at the root of the creation of municipal school boards in Maharashtra and Gujarat under the Bombay Primary Education Act, 1947. The board with its separate constitution, an independent fund and a Government-appointed administrative officer provides a peculiar example of a government within a government. Thus, the rise of competitive urban local institutions and State take-over of municipal functions have led not only to the erosion of municipal functions but also to the creation of an atmosphere of distrust of urban local government which is ominous for the development of municipal self-government in this country.

Local government has its basis in the decentralization of functions, but in contemporary India the State governments are in general reluctant to delegate new functions to the urban local bodies. In the coming decade, there is little prospect of this attitude changing in favour of the municipal institutions. Local bodies elsewhere in the world are charged with the responsibility of rendering a range of social services. Any substantial expansion of our social services would, however, entail increased allocation of Plan funds to social overheads, which cannot be expected in the near future. Due to the alleged 'non-productivity'

of the investments in social overheads, these will continue to receive smaller resource allocations for a long time to come. On the other hand, as the years would roll on, the more vociferous urban residents are sure to make a demand for at least the essential urban amenities. To satisfy the impatient urban dwellers, some funds may be provided, but the State governments are likely to make use of their own agencies and/or other non-local government agencies like improvement trusts and development boards in order to provide the amenities in the shortest possible time. Thus, substantial expansion of municipal functions is not likely to take place in the coming decade. What is probable is an insistence on stricter State control to ensure sound management of the existing municipal functions. Provincialization of municipal services would enable the State governments to clamp down firmer control over the municipal bodies. Once the State governments would be sure of their grip over the latter, some more functions may be delegated to them. But there is every possibility of the municipal bodies, at least in district towns, being treated as mere agents of the State governments.

State-Municipal Relations

The static structure of municipal government and poverty of municipal resources are due, largely, to the prevailing attitude of State governments to the municipal authorities. In India, the municipal structure is almost an integral part of the State structure. The constitutional location of 'local government' in the State List coupled with the paternalistic tradition of Indian administration, has worked toward the integration of local government administration more and more with State administration. The proverbial weakness and inefficiency of municipal government can largely be attributed to the absence of any State policy for municipal stimulation. The debilitating condition of municipal authorities has, however, provided a spacious excuse for increasing the control of the State Government over these institutions. Besides, political forces, instead of helping to loosen the grip of State control, have served to encourage its further tightening. In the absence of an entrenched urban culture facilitative of an enduring psychic integration between the citizens and the city, municipal government in India has always remained at the remotest suburb of public mind. If the city government is in decline and the State takes it over, there is hardly any voice of concern or a ripple of protest.

Political liberty needs to be defended politically. In the nineteenth century England, the British Parliament stood up as the champion of local self-government and stoutly opposed state intervention in local

government. The State Legislatures in India, however, have not shown much genuine interest in municipal self-government. On the contrary, the legislatures have been extra-conscious of their superiority over local institutions. A classic instance of this attitude is the Maharashtra Assembly's stricture against the Bombay Corporation which was held guilty of contempt of the Assembly in 1966 over a rather trivial demolition episode. The municipal Acts which were framed during the olden days of paternalistic authoritarianism have been allowed to continue uninterrupted. Even where new laws have been passed as in Maharashtra, Andhra Pradesh, Gujarat, Kerala, Assam, Orissa, Madhya Pradesh, and Rajasthan, the laws are either consolidations of earlier Acts or at best slightly changed versions of the older ones. Presently, a number of States, such as Punjab, Haryana and West Bengal, are contemplating to amend their municipal Acts; but it appears that the projected changes are intended not to confer more powers on the municipal bodies but to extend the radius of State control. When State executive administration cajoled, threatened and superseded municipal institutions, and steadily reduced them to the ignominious position of agents and subordinates of the State governments, the State legislatures allowed things to drift away and remained passive spectators.

The municipal Acts in India abound in regulatory and punitive provisions which have helped the State executive administration to evolve a system of overlordship much like the French 'tutelage'. State control over municipal financial administration is the strictest. There are the Draconian provisions about default powers, rescission of municipal resolutions, removal of members, and supersession and dissolution. Less drastic State powers include those relating to inspection, calling for information and reports, and giving of directions and conditional grants-in-aid. Wherever integrated and/or unified municipal services have been introduced, the State governments have encroached upon municipal powers over personnel administration. State-run district administration headed by the age-old District Officer still flourishes at the expense of local government and keeps a watch on the latter's performance. Here, the analogy with the French Prefect in a Department comes readily to mind. The current trend is towards the setting up of State Directorates of Municipal Administration with or without regional field organizations. Already, six States have constituted such Directorates and a few more are actively considering their establishment.¹⁷ As an agency of State supervision and control over municipal administration, the Directorate seems to be an improvement

¹⁷ Mohit Bhattacharya, *State Directorates of Municipal Administration*, The Indian Institute of Public Administration, New Delhi, 1969.

on the district administration and the inspectorate. But, the regulatory spirit of municipal legislation is a hindrance to the development of a State agency of positive help and guidance, and the bureaucratic attitude to local self-governing institutions is yet to undergo a radical change to make a State agency really useful to the municipal authorities. As a recent Committee has admitted, "By and large, the techniques of supervision and control in India—specially in the urban areas—have remained rather static, unimaginative and negative."¹⁸ In 1967, it was found that 18 out of 29 municipal corporations in India were superseded. Today (as of May, 1970), in Rajasthan, only 7 out of a total of 145 municipal bodies are being run by elected councils, the rest are being administered by State-appointed administrators. The Municipal Corporations of Lucknow and Agra were under supersession for over a decade. In Punjab, the Municipal Committee of Ludhiana had the same fate, and presently Jullundur and some other municipal committees are under supersession. At one stage, all the municipal corporations of Madhya Pradesh were superseded. West Bengal's story is not much different; in the Calcutta region alone, since 1947 as many as 19 municipalities and corporations have been taken over by the State Government from time to time. Strangely enough, supersession, removal of members, annulment of decisions and default actions are rather frequent in the States of eastern, northern, central and western India, excluding Gujarat and Maharashtra. A high degree of political stability, dominance of a single political party at both State and municipal levels and a relatively forward-looking State administration seem to have helped reduce State-municipal conflict in the last two States. In the remaining States, an important reason for the frequent use of punitive powers lies in their political configuration whereby the party-in-power at the State level is very often not the ruling party at the municipal level. As one researcher's case study of the Aligarh Municipal Board has shown, these drastic powers have been used even against particular factions within a single political party which wielded power both at the State and the municipal levels.¹⁹ The comparative calm in the southern States cannot be attributed to a sense of more respect for local self-government on the part of these States. A more plausible explanation seems to be that the southern States have internalized their firm control over municipal government by placing their own officers at key municipal positions, such as the offices of the commissioner, health officer and engineer.

Although at the level of the High Courts, the judicial pronouncements in recent times have often been in favour of aggrieved municipal

¹⁸ *Report of the Rural-Urban Relationship Committee*, Vol. I, *op. cit.*, p. 117.

¹⁹ Paul R. Brass, *Factional Politics in an Indian State*, Berkley, University of California Press, 1965, pp. 96-7.

bodies and the elected representatives, our judiciary is yet to evolve a consistent theory of local 'government' distinct from its corporate personality. As the Gauhati Municipal Board's Case (1967) and the Nagpur Municipal Corporation's Case (1967) point out, even the Supreme Court has not gone beyond the strict construction of law.

The current trend in State-municipal relations in India is distinctly towards increasing, rather than decreasing, State control over the municipal bodies. Presently, the municipal councillors and the elected councils have fallen out of grace and their *bona fides* are suspect in the eyes of the State executive administration. For the ills of municipal administration they are being held responsible, and to keep them in check, municipal executive administration is being steadily developed under the aegis of the State government. As pointed out earlier, the current trend towards the provincialization of municipal services testifies to a calculated move to divest the municipal authorities of their powers over personnel administration. Centralization of powers would naturally be paralleled by the creation of a central supervisory authority. The emergence of the State Directorates of Municipal Administration thus follows logically from the needs of centralization. The idea of a central agency for property valuation for the purposes of municipal property taxation has been a fairly old one, and it can be safely predicted that in the near future many of the States would go in for the establishment of such central valuation agencies, which will lead to further loss of municipal power. Even without substantial grants-in-aid, the State governments presently wield considerable power over the municipal bodies. But a salutary trend now is the gradual emergence of a systematic grants-in-aid to the latter, which is likely to spread fairly widely in future throughout India. The carrot of grant-in-aid will, of course, be used to strengthen the forces of centralization. With the integration of municipal development plans into the States' Five Year Plans which is being proposed currently, municipal government and administration will be subjected to the discipline of the State Plans. As in the case of Union-State relations, planning is thus expected to take its toll of 'self-government' in State-municipal relations also.

SUMMING UP

From all accounts, municipal self-government is expected to suffer an eclipse—may be, not a total one—in the future. The contemporary political climate is hardly conducive to the blossoming of grass-root democracy. In a new democracy where political forces are still to stabilise, genuine devolution of powers to local self-governing bodies is apt to be thwarted by more powerful centripetal forces. Unless

fairly strong pressures develop at the municipal level, either through citizens' awakening or through the intervention of secular political parties; there is every possibility of municipal autonomy, even in its present weak form, being swept away by the growing centralism in State administration. At the moment, however, political parties do not seem to have developed any real commitment to local self-government. At best, the municipal bodies are used by the parties as staircases for climbing up the power ladder; the aim is to capture the seat of power at the State level. Still, the increasing involvement of political parties in municipal government is bound to generate more and more popular interest in civic administration, and if history is any guide, in the long run, municipal self-government is expected to be safeguarded by the continuing interest, and not indifference, of the involved political parties. In the short run, however, factional squabbles and intense power struggle among a multiplicity of political parties would continue to bring discredit to elected councils, and the State governments, who are never very eager genuinely to decentralize powers and are afraid of the spectre of rising opposition in urban areas, would be using the chaotic municipal situation as an excuse for tightening their control further over municipal government.

Centralization of powers in the hands of the State governments and the consequent decline of urban local 'self-government' will be the most significant development in the near future. Whatever changes will take place in the sphere of municipal government, these will be under the burgeoning control of the State governments. Improvement in municipal finances through the gradual expansion of the grants system and the integration of city development plans with the State and national plans are distinct possibilities. As provincialization of municipal services gets going, the municipal bodies will have more and more of qualified staff which is bound to lead to improved performance of municipal duties and responsibilities. But, municipal efficiency will be achieved at the cost of municipal self-government. By exercising control over the key municipal personnel, the State governments will come to have an important say in the internal management of the urban local bodies. In the foreseeable future, the municipal bodies will be sought to be developed under the watchful eyes of State governments as on-going concerns with qualified staff and moderately efficient administration. The 'service' aspect, as distinct from the 'self-government' aspect, is expected to get more and more prominence in the years to come. As the States will be keen to ensure a minimum level of social services for all, and there will be an ever-increasing demand for essential urban amenities, the municipal bodies will be

degree of efficiency. In future, municipal government is sure to be drawn very close to State administration at whose behest it will increasingly have to function. Since the citizens will be more interested in getting the services and amenities, and there is hardly any tradition of loyalty to town life, there will be little opposition to State tutelage on purely philosophical grounds. In fact, local self-government may, in the coming years, lose its historical appeal and identity. As the idea of the welfare state would come to hold sway, this would render the concept of local self-government gradually meaningless. For financial resources, technical know-how, planning and intelligence, the urban local bodies will have to lean toward the State governments, and in this process a new concept of state-municipal functional cooperation is expected to emerge which will take away much of the traditional idea of local 'autonomy'. It seems that in urban India 'self-government' will in future have few troubadours to come to her succour, and there may not be many to shed tears over a lost philosophy.

